FORESTRY, FIRE, AND STATE LANDS, STATE FUNDS REDUCTION CONCEPTS

NATURAL RESOURCES, AGRICULTURE, & ENVIRONMENTAL QUALITY APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

We have been asked to provide a list of suggestions that could potentially reduce the appropriations from the General Fund to agencies overseen by the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee. This list was intended to be used as a starting point for committee's discussions and potential legislative actions.

We used the assumption that although the agencies overseen by this appropriations subcommittee are generally very efficient, there are additional ways to reduce the state appropriations, while allowing the public to receive the needed services. For example, in some instances a portion of the state funds can be replaced with other funding sources, such as user fees. Also, some of the functions currently performed exclusively by state entities can be done by private companies or other government entities if the statute would allow and if proper oversight be put in place.

We identified the following general categories where such potential state fund reductions could be made. For additional explanations and examples of these categories, please see Appendix A.

1. **User fees**: replace a portion of the General Fund appropriations with user fees.
2. **Increase self-checking and self-reporting**: require a greater portion of the inspections and testing currently done by state employees to be transferred to the regulated industry/public, who may be required to self-report or to hire a third-party for verifications.
3. **Allow competition:** allow private or other government organizations to compete against each other and the state for services currently provided solely by state agencies.
4. **Outsource services:** contract with private or other government entities to take over the services currently provided by state agency.
5. **Eliminate government intervention:** some services can be provided through delegated standards without a formal structure of state government directly involved. This puts the burden on the industry to provide the services while still allowing the state to set the standards.

The tables below list the programs of the Division of Forestry, Fire, and State Lands and show the funding mix, expenditure categories, and staff and vehicles count by program.

In the first table, which shows the FY 2019 amounts by funding source (as included in the Base Budget Bill, H.B. 5), we have assigned in the first column (titled "Possible Action") one or more of above categories to the programs where applicable.

FY 2019 Base Budget by Program and Funding Mix

Line	Possible Action	Programs by Line Item	State Funds	Federal Funds	Ded. Credits	Restricted
1		**Forestry, Fire and State Lands**				
2	User fees	Division Administration	448,700	150,300		635,900
3		Fire Management	492,200	764,100		581,300
4		Fire Suppression Emergencies	1,500,000		600,000	0
5		Forest Management		3,335,800	12,000	421,400
6		Lands Management				897,400
7		Lone Peak Center			2,813,400	
8		Program Delivery	400	2,280,800	3,155,800	2,520,300
9		Project Management	75,000			1,451,100

The total General Fund appropriation to the Division of Forestry, Fire, and State Lands is $2.5 million (or 11% of the total funding mix) and is mostly used for the fire management and suppression programs. The General Fund for the Division Administration for FY 2019 represents 36% of the program's total, which is a higher percentage than the division's average. The Legislature may want to consider offsetting a portion of the General Fund for the administration with an appropriation from the restricted account (Sovereign Lands Management Account). There may also be possibilities to outsource some of the services currently provided by division staff.

Would the committee like to pursue any of these possibilities and direct staff to get more information?

The following pages contain details about the expenditures, FTE and Vehicles counts by program, as well as descriptions for each program, in order to provide a better understanding of what is currently budgeted to be "purchased" with the appropriations for FY 2019 in the Base Budget Bill.

Expenditures

Line	Programs in Line Item	Personnel Services	In-state Travel	Out-of-state Travel	Current Expense	DP Current Expense	DP Capital Outlay	Pass Thru
1	**Forestry, Fire and State Lands**							
2	Division Administration	792,500	4,900	6,900	274,000	156,600		
3	Fire Management	611,100	9,900	14,700	623,400	58,500		520,000
4	Fire Suppression Emergencies	126,500	19,600	42,000	1,000,000	3,500		908,400
5	Forest Management	430,300	7,500	8,100	97,200	17,600		62,400
6	Lands Management	790,000	6,500	8,900	49,800	42,200		0
7	Lone Peak Center	2,572,100	17,300	132,100	504,900	76,000		0
8	Program Delivery	4,569,200	38,900	7,200	2,701,000	126,800		514,200
9	Project Management		4,900	500	3,164,800	35,500	57,800	3,668,900

Staff and Vehicles

Line		FTE	Vehicles
1	**Forestry, Fire and State Lands**		
2	Division Administration	8	128
3	Fire Management	7	
4	Fire Suppression Emergencies	3	
5	Forest Management	5	
6	Lands Management	9	
7	Lone Peak Center	45	
8	Program Delivery	65	

Mission: The Division of Forestry, Fire & State Lands manages, sustains and strengthens Utah's forests, rangelands, sovereign lands and watersheds for its citizens and visitors.

Programs Descriptions

Forestry, Fire and State Lands

Division Administration

The Forestry, Fire, and State Lands Division Administration program includes the activities of the division director, deputy director, an administrative assistant, a public affairs officer, and a planning coordinator. Division Administration maintains public records of the division's actions and provides overall administration for implementation of policies established by the DNR executive director, the governor, and the Legislature. The other main component in Division Administration is the administrative support staff, whose functions include policy analysis, accounting, rulemaking, records management, and facilities. It also has the primary responsibility for the management of the Wildland Fire Suppression Fund.

Fire Management

The Fire Management program is responsible for wildland fire prevention, preparedness, mitigation, and suppression activities. The program includes: Forestry Cost-Share Assistance, Fire Management, Fire Protection, Volunteer Fire Assistance, Federal Excess Personal Property Management, and Catastrophic Wildfire Reduction Strategy. Fire Management provides technical expertise and functional support to the Program Delivery (field) arm of the division.

Fire Suppression Emergencies

Funds appropriated to the Fire Suppression Emergency program are used for fire control expenditures of two kinds, neither of which is predictable with any degree of certainty: fire suppression salaries (which vary with the severity of the fire season), and supplies and services required on a case-by-case basis with each fire suppression effort. In the past, the appropriation was also used to match county payments into the Wildland Fire Suppression Fund (Insurance Fund).

Forest Management

The Forest Management program is responsible for the administration and delivery of the following activities and services: Forest Stewardship, Forest Health, Urban Community Forestry, Forest Legacy (protecting private forests from being converted to non-forest uses), Environmental Quality Incentives Program, Forest Water Quality Monitoring, Forest Industry Registration, and Forest Practices Notification. This program provides technical expertise, functional support and oversight to the Program Delivery (field) arm of the division. Additionally, the program provides support to local communities, private land owners, industry professionals, and citizens across the state.

Lands Management

The Lands Management program oversees the administration, planning, and management of 1.5 million acres of sovereign lands, including 2,200 miles of shoreline, according to the public trust doctrine, along with various parcels of lands throughout Utah. The program develops and implements comprehensive and resource management plans, monitors and manages resources of those lands, and administers the surface and mineral estates through leases, permits, and easements. The program also manages oil, gas, and mineral leasing for all state agencies except School and Institutional Trust Land Administration (SITLA). Lands Management establishes standards and formats for information technology and Geographic Information System (GIS) related applications used throughout the division. The program facilitates the division's databases and guides inventory and cataloging of existing statewide natural resources data. Other duties include web page adoption, implementing new hardware and software, software training, and development of new e-government applications.

Lone Peak Center

The Lone Peak Center provides specialized wildfire suppression and resource management services to multiple municipal, state, and federal customers. There are two Interagency Hotshot Crews (Lone Peak and Alta), as well as two additional fire suppression hand crews (Twin Peaks and Dromedary Peak). One hand crew is comprised of 20 student firefighters from the Utah Fire and Rescue Academy at Utah Valley University. Students sign up for an internship and complete the required fire training at the academy. The division organizes the 20 students as a fire crew and has successfully made it financially self-supporting. In addition, two fire-engine teams are staffed with seasonal employees to add mobility and increased fire management services. Along with providing wildfire suppression services, the Lone Peak crews also undertake hazardous fuels mitigation projects when not fighting wildfire. All crews and engines are financially self-supporting.

Program Delivery

The Program Delivery is the division's service delivery arm, providing access for customers and facilitating response to wildland fires on non-federal land. As the program that serves most of the division's customers, Program Delivery is also the division's largest internal customer. Other programs support Program Delivery in a range of activities associated with forest stewardship, agro-forestry, urban forestry, forest products utilization, forest health, fire management (prevention, detection, pre-suppression, suppression), federal excess personal property acquisition and management, sovereign land management, and state land mineral management.

Project Management

Project Management tracks legislatively approved funds for special projects. Some of those are for things such as rehabilitation and reseeding projects, and the Bear River Migratory Bird Refuge dispute.

The table below provides a list of lower-level division programs with a brief description of what each does and who it benefits.

Program Name	*Program Description (What does it do? Who does it benefit?)*
ADMINISTRATIVE SUPPORT	*Provides the division with accounting, budgeting, HR, and other administrative support functions*
CATASTROPHIC WILDFIRE & OTHER FIRE REHAB PROJECTS	*Funding used for fire rehabilitation/reseeding projects*
CRITICAL LANDS	*Funding use to purchase easements or provide support of critical lands adjacent to sovereign lands.*
DEMONSTRATION FOREST	*When implemented, will showcase a tract of land that has proper forestry techniques applied to it and show how healthy forests are to be administered and cared for.*
DIRECTORS OFFICE	*Provides vision, direction, and leadership to all division programs and provides overall administration for implementation of policies established by the Executive Director, Governor, and the Legislature.*
ENGINE WORKSHOPS	*Funding used to train rural and volunteer fire department personnel proper wildland fire fighting techniques.*

FIRE MANAGEMENT	*Provides wildland fire prevention and protection on Utah's State and unincorporated private lands. This is the administration costs overseeing the fire suppression programs, hazardous fuel reduction programs under the National Fire plan, and rural fire assistance grants.*
FIRE SUPPRESSION	*Provides wildland fire prevention and protection on Utah's State and unincorporated private lands. These are the direct costs for fire suppression activities.*
FOREST MANAGEMENT ADMINISTRATION	*The Forest Management program is responsible for development and administration of the division's conservation programs, which include: Forest Stewardship, Forest Health, Urban & Community Forestry, Forest Legacy (protecting private forests from being converted to non-forest uses), Environmental Quality Incentives Program, Forest Water Quality Monitoring, Forest Industry Registration, and Forest Practices Notification. Forest Management provides technical expertise, functional support and oversight to the Area Offices. Additionally, through capacity building, traditional and nontraditional partnerships, cost share grant opportunities and educational programs, the Forest Management team provides support to local communities, private land owners, industry professionals, and individual citizens across the state.*
FOREST MANAGEMENT FOREST HEALTH	*Assists private landholders in mitigating forest health problems, most particularly with beetle infestations killing off our forests.*
FOREST MANAGEMENT FOREST LEGACY	*Federal program used to protect important forest areas (which includes the purchase of conservation easements) that are threatened by conversion to non-forest uses.*
FOREST MANAGEMENT STEWARDSHIP	*Assists private landholders in managing resources. Services include developing management plans along with timber marking, windbreaks, water quality, wildlife habitat improvement and financial assistance to implement resource management plans*
FOREST MANAGEMENT URBAN/COMMUNITY	*Urban foresters provide technical and financial assistance and promote the benefits of trees in our cities and towns.*
FREEPORT CENTER	*Funding used to pay DFCM O&M for storage space at Freeport Center.*
GREAT SALT LAKE CMP GRANTS	*From grant proposals submitted each year and scored by committee, grants are awarded each year to study various aspects of the biological, economic, etc., relationships of the Great Salt Lake used in Lands Management planning.*
GREAT SALT LAKE SELENIUM MONITORING	*Used to monitors the selenium and other mineral content of the Great Salt Lake.*
LANDS ADMINISTRATION AND PLANNING	*Oversees the administration, planning, and management of 1.5 million acres of sovereign lands, including 2,200 miles of shoreline, under the public trust doctrine, and various parcels of uplands throughout Utah. The program develops and implements comprehensive and resource management plans, monitors and manages resources of those lands, and administers the surface and mineral estates through leases, permits, and easements. The program also manages oil, gas, and mineral leasing for all state agencies except School and Institutional Trust Land Administration (SITLA). Lands Management establishes standards and formats for information technology and Geographic Information System (GIS) related applications used throughout the division. The program facilitates the division's databases and guides inventory and cataloging of existing statewide natural resources data. Other duties include web page adoption, implementing new hardware and software, software training, and development of new e-government applications.*
LONE PEAK CONSERVATION CENTER	*Provides trained crews to fight wildland fire both locally and nationally. They also provide crews to complete natural resource projects.*

PROGRAM DELIVERY BEAR RIVER (LOGAN)	*Area offices are the division's service delivery arm, providing access for customers and facilitating response to wildland fires on non-federal land. Area offices also support a range of activities associated with forest stewardship, agro-forestry, urban forestry, forest products utilization, forest health, fire management (prevention, detection, pre-suppression, suppression), federal excess personal property acquisition and management, sovereign land management and state land mineral management.*
PROGRAM DELIVERY CENTRAL (RICHFIELD)	*Area offices are the division's service delivery arm, providing access for customers and facilitating response to wildland fires on non-federal land. Area offices also support a range of activities associated with forest stewardship, agro-forestry, urban forestry, forest products utilization, forest health, fire management (prevention, detection, pre-suppression, suppression), federal excess personal property acquisition and management, sovereign land management and state land mineral management.*
PROGRAM DELIVERY NORTHEAST (HEBER CITY)	*Area offices are the division's service delivery arm, providing access for customers and facilitating response to wildland fires on non-federal land. Area offices also support a range of activities associated with forest stewardship, agro-forestry, urban forestry, forest products utilization, forest health, fire management (prevention, detection, pre-suppression, suppression), federal excess personal property acquisition and management, sovereign land management and state land mineral management.*
PROGRAM DELIVERY SOUTHEAST (MOAB)	*Area offices are the division's service delivery arm, providing access for customers and facilitating response to wildland fires on non-federal land. Area offices also support a range of activities associated with forest stewardship, agro-forestry, urban forestry, forest products utilization, forest health, fire management (prevention, detection, pre-suppression, suppression), federal excess personal property acquisition and management, sovereign land management and state land mineral management.*
PROGRAM DELIVERY SOUTHWEST (CEDAR)	*Area offices are the division's service delivery arm, providing access for customers and facilitating response to wildland fires on non-federal land. Area offices also support a range of activities associated with forest stewardship, agro-forestry, urban forestry, forest products utilization, forest health, fire management (prevention, detection, pre-suppression, suppression), federal excess personal property acquisition and management, sovereign land management and state land mineral management.*
PROGRAM DELIVERY WASATCH FRONT (SLC)	*Area offices are the division's service delivery arm, providing access for customers and facilitating response to wildland fires on non-federal land. Area offices also support a range of activities associated with forest stewardship, agro-forestry, urban forestry, forest products utilization, forest health, fire management (prevention, detection, pre-suppression, suppression), federal excess personal property acquisition and management, sovereign land management and state land mineral management.*
PUBLIC AFFAIRS/LAW ENFORCEMENT	*Our law enforcement program investigates causes of fires and collects information used to prosecute and gain restitution on human caused fires. The program also provides enforcement of sovereign lands Statute when the public does not adhere to law. This program also acts as the division public information officer.*
RECRUITMENT PROGRAM	*Used to hire interns and give them practical forestry and/or fire experience in hopes they can be placed in permanent positions if an opening occurs.*
SOVEREIGN LANDS MGT PROJECTS	*Funding used for direct costs of various Sovereign Land projects (Management Plans, Navigational Hazard Removal, Bear Lake Access Improvements, etc.)*
URBAN & COMMUNITY FORESTRY GRANTS	*Ongoing funds for Urban & Community Forestry grants to cities.*
UTAH LAKE COMMISSION	*Funding used to support the Utah Lake Commission which oversees the coordination and regulatory responsibilities of implementing the Utah Lake Comprehensive Management Plan between various entities on the key piece of Sovereign Land.*
WEED CONTROL	*Reducing and eliminating invasive and noxious weeds on Sovereign Lands.*

Appendix A

1. **User fees**: replace a portion or all the General Fund appropriations with user fees. This will allow the state entity to continue the same level of services and staffing, while reducing the general tax dollars. It may or may not mean increasing fees to generate more revenue with which to replace the General Fund. An example of this is the Division of Parks and Recreation shifting the majority of its finding from the General Fund to parks visitors' fees.

2. **Increase self-checking and self-reporting**: require a greater portion of the inspections and testing currently done by state employees to be transferred to the regulated industry/public, who may be required to self-report or to hire a third-party for verifications. This would potentially reduce the workload of the state agency, which would result in reduction in state staff and travel expenses. This could be similar to reporting and paying income taxes. The individual or corporation self-reports, with the understanding that reports are enforced through audits. Another example of this is the elimination of the state-mandated vehicle safety inspections for vehicle registration.

3. **Allow competition:** allow private or other government organizations to compete against each other and the state for services currently provided solely by state agencies. Competition could breed innovation and increase the quality of services and/or reduce the costs to the industry/public paying for the services. An example of this is the Organic certification process.

4. **Outsource services:** contract with private or other government entities for the services currently provided by state agency. Initially, the costs may remain the same, but it could be reduced over time, as competition to provide the services increases. Many services in state government are provided through contracting, and perhaps more could be. Examples of this is UDOT and road construction and This Is The Place Foundation managing the heritage park.

5. **Eliminate government intervention:** some services can be provided through delegated standards without being a formal structure of state government. This puts the burden on the industry to provide the services while still allowing the state to set the standards. An example of this is industry certifications and industry standards, such as the Certified Public Accountant (CPA) and the Governmental Accounting Standards Board (GASB).